

ALERT!


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ALERT #115

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Clifford W. Hall 
State Controller

DATE: July 17, 1998

SUBJECT: *GASB 31 Implementation Status*
TABOR Issue—Funds Returning to the State from Outside of the TABOR District
New Field Accounting Services Team (FAST) Members
FY98-99 Closing Dates
SB98-194 Cash Fund Reserves Report
SCO Distribution Boxes

GASB 31 Implementation Status

GASB Statement No. 31 requires an allocation of unrealized gains or losses on the Treasurer's pooled investments to the various funds that receive interest income from the pool. We will be making this allocation both for statewide financial reporting and to enable state agencies that issue separate financial statements to include their share of the unrealized gains or losses in their reports. The entries will be post-closing only and not recorded on COFRS.

This office will prepare and distribute a report the first week in August. The report will only be sent to those state agencies and institutions required to prepare GAAP financial statements per page 97 of the FY97-98 Closing Instructions. These will include all higher education institutions and governing boards, the State Fair Authority, Gaming Division, Lottery Division and Colorado Student Loan Program. The report will show the unrealized gains/losses by fund and agency and at the reporting code level if the Treasurer uses that code to identify cash balances for interest distribution purposes. The basis for allocation will be the final year end COFRS 1100 and 1130 cash balances. It will show the unrealized gains/losses at June 30, 1997 and June 30, 1998.

The unrealized gains at June 30, 1997 should be treated as an increase (credit entry) to beginning fund balance with the offset (debit entry) to the investment income line that shows the realized interest earnings allocated by the State Treasurer. The gains/losses from June 30, 1998 should also be posted to the investment income line (credit if a gain, debit if a loss) with the offset to the financial statement line that shows the cash on deposit with the State Treasurer (debit if a gain, credit if a loss). These adjustments would be in addition to those required for investments that your agency holds. Questions concerning this report or other GASB 31 reporting requirements including requests for the report by

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agencies that are not required to issue financial statements, should be directed to Art Barnhart at 303/866-3850.

TABOR Issue—Funds Returning to the State from Outside of the TABOR District

The State Controller's Office recently identified two instances in which a state agency contracted for services with entities outside of the state's TABOR district. The outside entities then contracted back with the state to perform services under the program. It is important for agencies to note that when funds come back to the state as revenues earned for services performed for entities outside the state's TABOR district (such as not-for-profit corporations or school districts), those revenues must be recorded as non-exempt and are countable for TABOR purposes. Agencies should use a cash revenue source code so that these revenues are appropriately counted for TABOR reporting purposes. If you have any questions regarding similar type transactions, please contact your accounting specialist.

New Field Accounting Services Team (FAST) Members

Robert Haberkorn and Dianne Stump have joined the FAST team. Bob returns to the FAST team from the University of Colorado at Boulder. He was previously a field controller in the State Controller's Office. Dianne joins us from the Department of Natural Resources. They both started on June 29th however Dianne will not be full time in our office until July 29th when period 13 closes. The new listing of agency assignments for the FAST is attached to this Alert and will be effective on July 29th. We are happy to have both of them on our staff. They bring to us expertise from higher education and state agencies.

FY98-99 Closing Dates

The following are COFRS month (period) end closing dates for this year. Again, every effort has been made to balance the need for timely financial reports and the agency need for time to analyze accounts to ensure an accurate close.

Period 1 Close - - - -	Aug 14, 1998	Period 7 Close - - - -	Feb 12, 1999
Period 2 Close - - - -	Sept 11, 1998	Period 8 Close - - - -	Mar 12, 1999
Period 3 Close - - - -	Oct 16, 1998	Period 9 Close - - - -	Apr 16, 1999
Period 4 Close - - - -	Nov 13, 1998	Period 10 Close - - -	May 14, 1999
Period 5 Close - - - -	Dec 11, 1998	Period 11 Close - - -	June 11, 1999
Period 6 Close - - - -	Jan 15, 1999	Period 12 Close - - -	July 16, 1999 (subject to change)
		Period 13 Close - - -	July 30, 1999 (subject to change)

Please contact Dennis Wolfard at 303/866-3895 if you have questions or comments about these dates.

SB98-194 Cash Fund Reserves Report

In the first week of August after final close our office will be distributing a preliminary report showing the "uncommitted reserves" for the cash funds covered by this bill. Those agencies with reserves in excess of either the "target reserve" or "alternative reserve balance" will be required to file a plan with OSPB to lower the reserves through fee reductions or increased expenditures. We will be asking affected agencies to review this report and help us identify statutorily determined fund balances and funds committed to capital construction projects or other multiyear purposes. This report will be audited by the State Auditor's Office and the final audited report issued by September 20. Additional

information on the process created to implement this bill can be found in pages 50-56 of the June 1, 1998 Budget Procedures Manual issued by OSPB. If you have any questions please contact Todd Olson at 303/866-3811 or Mark Cavanaugh, OSPB analyst, at 303/866-2067.

SCO Distribution Boxes

The distribution boxes (mail boxes) in the State Controller's Office have been realigned to reflect the current state government organization. In most cases, an individual agency's/institution's distribution box was moved to accommodate the realignment. Care should be taken to insure that the distribution box being used is the correct box for the particular agency/institution. Should you have questions, please contact Kevin Cruise at 303/866-2127, Sandi Shultz at 303/866-2126 or any other member of the Central Accounting Operations Section (CAOS) staff.

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Field Accounting Services Team Agency Assignments
(Effective 7/29/98)

LINDA BRADLEY		866-4162
UNC	J	GKA
HUMAN SERVICES	J	IHA-ILF
JUDICIAL	R	JAA-JEA
LEGISLATIVE BRANCH	R	MAA-MEA
HEALTH CARE POLICY & FIN	J	UHA

JEFF PARKER		866-4161
PUBLIC HEALTH & ENV	L	FAA
SBA UNIVERSITIES	R	GGA-GGJ
CHILDREN'S TRUST	R	GNA
TRANSPORTATION	R	HAA
LOCAL AFFAIRS	R	NAA
SECRETARY OF STATE	L	VAA

ROGER CUSWORTH		866-3891
PERSONNEL	L	AAA-ARA
AGRICULTURE/STATE FAIR	L	BAA/BSF
CORRECTIONS	L	CAA-CIA
ARTS & HUMANITIES	J	GBA
HISTORICAL SOCIETY	J	GCA
STUDENT LOAN	J	GDA
CO ADVANCE TECH INST.	J	GEA
CU	J	GFA-GFE
COMM. COLLEGES	J	GJA-GJM
AHEC	J	GMA
NATURAL RESOURCES	J	PAA-PKA
CONTROLLER		999

BOB HABERKORN		866-2626
EDUCATION	L	DAA-DBA
STATE COLLEGES	J	GHA-GHF
MINES	J	GLA
PUBLIC SAFETY	J	RAA
REGULATORY AGENCIES	L	SAA-SLA
REVENUE	R	TAA-TGA

FIELD ACCOUNTING SERVICES ACCOUNTANT	
DOTTIE RELAFORD	866-4165

DIANNE STUMP		866-3890
GOVERNOR'S OFFICE	J	EAA-EFA
CCHE/PRIV OCC ED	J	GAA/GPA
LABOR & EMPLOYMENT	J	LAA
LAW	L	LAA
MILITARY AFFAIRS	L	OAA
TREASURY	R	WAA

Back up persons are noted by the letter
in the column to the right of the agency name.
L=Linda Bradley
R=Roger Cusworth
J=Jeff Parker